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Dan J. Ollar
General Manager

To: The Honorable Rodney E. Slater
Secretary of Transportation
400 7th Street, SW
Washington, DC 20590

Subj: U.S. - China Air Services (2001)
Docket OST-99-6323 - 73

Date: November 12, 1999

Dear Mr. Secretary:

We want to urge your Department to select United Parcel Service to begin service to China in April 2001.

Business Week, in its October 8, 1999 edition, talked of the great demand for cargo space and service between China and the United States. We at FAAC can attest to that fact. The U.S. - China trade is booming and is growing at almost exponential proportions. The market's growth is expected to continue well into the next century. As Business Week pointed out, the demand for cargo space simply isn't being met, especially by airlines that concentrate on moving freight between the United States and China.

There is an even greater need for specialized express air cargo service. In today's global economies, companies link their production facilities around the world. What is produced in one plant depends on timely delivery of what is produced in another plant, which could be located half way around the globe. Getting products from one country to another requires sophisticated logistics management, capabilities, and capacity. The critical link in this system is express air service.

China is the only major market in the world where there is no express air service competition. There is competition in the passenger area, both among U.S. airlines and between U.S. and Chinese airlines. Your Department has been the world's leading advocate for airline competition, and competition in the express air service area is essential to the development of the efficient supply chains that give U.S. companies like ours a leg up on their competition and the ability to grow and prosper in the U.S. - China market.

For these reasons, the selection of UPS to be the U.S. airline to start service to China in April 2001 is vital. Businesses like ours need the service that UPS provides. Our economy needs it, our workers depend upon it. Competition demands it.

Thank you for your consideration of our views.

Sincerely,

Dan J. Ollar